



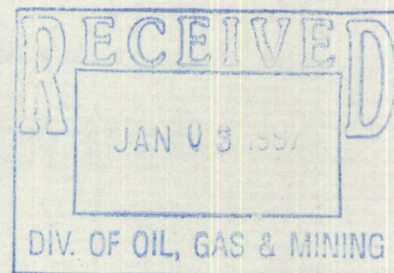
energy fuels nuclear, inc.

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grand junction, colorado 81506

(303) 243-1968
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M/037/026

January 2, 1997



JAN. 03, 1997

Mr. Anthony A. Gallegos
Senior Reclamation Specialist
Utah Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114

Dear Mr. Gallegos:

As we have discussed over the last several days, enclosed are two Transfer Notices and two Reclamation Contracts for the Rim-Columbus Mine (M/037/006) and the LaSal-Snowball Mines (M/037/026) transferring responsibilities for operation and reclamation from Umetco Minerals Corporation ("Umetco") to International Uranium (USA) Corporation ("IUC"). These are draft documents and after you have reviewed them, we will prepare the final documents for execution by both Umetco Minerals and IUC and forward them to you as soon as possible.

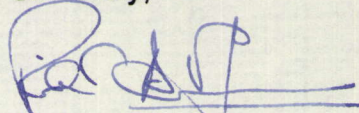
It is assumed that IUC will post a Surety Bond for the amounts called out in your letter of January 2, 1997, and I have reflected this on the forms.

IUC is purchasing all of the assets controlled by Energy Fuels Nuclear, Inc. ("EFN") and closing is tentatively set for the end of January. However, due to complications associated with Umetco, these transfers must take place prior to or at closing. Therefore, as we discussed, I would like to get conditional Board approval of the transfer, so that IUC can put the bonds in place at closing. If this approach poses a problem, please let me know and we will attempt to work something else out.

Both of these properties have been idle since late 1991 and other than minor dump maintenance and the removal of trash and equipment, there have been no changes in the size or type of disturbance. I have included preliminary topographic maps that were generated from aerial photos that we took in September of 1992. Final copies of these will accompany the final executed contracts. If you require other or more detailed information on these maps, please let me know.

Thank you for your assistance in expediting this matter. Please let me know if there is any thing else you need to get these on the January board agenda.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Richard A. Van Horn', with a horizontal line extending from the end of the signature.

Richard A. Van Horn
General Manager-Plateau Operations

rav
enclosures